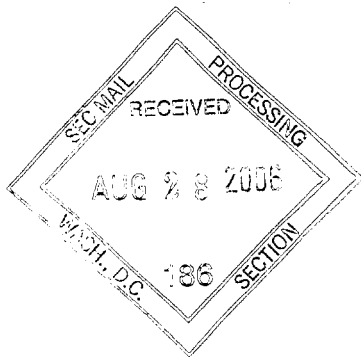


AB  
9/1

BB 8/31



SECU



06009949

SSION

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	January 31, 2007
Estimated average burden	hours per response..... 12.00

**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

SEC FILE NUMBER
8-42879

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 07/01/05 AND ENDING 06/30/06  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: North Ridge Securities Corp

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

1895 Walt Whitman Road

Melville

(No. and Street)

New York

11747-3031

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Daniel Levy

(631) 420-4242

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Lawrence B. Goodman & Co., PA

(Name - if individual, state last, first, middle name)

32-16 Broadway

Fair Lawn

New Jersey

07410

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions.

**PROCESSED**

**SEP 22 2006**

**THOMSON  
FINANCIAL**

**FOR OFFICIAL USE ONLY**

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

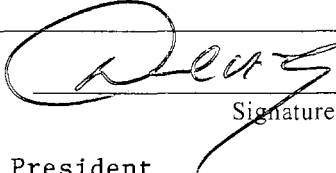
SEC 1410 (06-02)

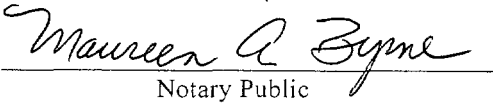
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

## OATH OR AFFIRMATION

I, Daniel Levy, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of North Ridge Securities, Inc., as of June 30, 2006, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

MAUREEN A. BYRNE  
Notary Public, State of New York  
No. 01BY6088856  
Qualified in Suffolk County  
Term Expires 11/26/2009

  
Signature  
President  
Title

  
Notary Public

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of ~~XXXXXX XXXXXXXX XXXXXXXX~~ Cash Flows
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**FORM  
X-17A-5**

**FOCUS REPORT**

OMB No. 3235-0123  
(5-31-87)

(Financial and Operational Combined Uniform Single Report)

**PART IIA** 12

3/91

(Please read instructions before preparing Form.)

This report is being filed pursuant to (Check Applicable Block(s)):

1) Rule 17a-5(a) 16

2) Rule 17a-5(b) 17

3) Rule 17a-11 18

4) Special request by designated examining authority 19

5) Other 26

NAME OF BROKER-DEALER

North Ridge Securities Corp

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do Not Use P.O. Box No.)

1895 Walt Whitman Road

(No. and Street)

Melville

(City)

New York

(State)

11747

(Zip Code)

SEC FILE NO.

8-42879

FIRM ID. NO.

20-798

FOR PERIOD BEGINNING (MM/DD/YY)

04/01/06

AND ENDING (MM/DD/YY)

06/30/06

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Daniel R. Levy

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT:

(Area Code)—Telephone No.

(631) 420-4242

OFFICIAL USE

**EXECUTION:**

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the 23<sup>rd</sup> day of August 19 2006

Manual signatures of:

1) [Signature]  
Principal Executive Officer or Managing Partner

2) [Signature]  
Principal Financial Officer or Partner

3) [Signature]  
Principal Operations Officer or Partner

**ATTENTION**—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78f(a))

**TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:**

Lawrence B. Goodman & Co., PA

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report

Name (If individual, state last, first, middle name)

32-16 Broadway

Fair Lawn

NJ 70

07410

ADDRESS

Number and Street

City

State

Zip Code

71

72

73

74

Check One

( X ) Certified Public Accountant

75

( ) Public Accountant

76

( ) Accountant not resident in United States or  
any of its possessions

77

FOR SEC USE

DO NOT WRITE UNDER THIS LINE ... FOR SEC USE ONLY

WORK LOCATION	REPORT DATE MM/DD/YY	DOC. SEQ. NO.	CARD				
50	51	52	53				

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

North Ridge Securities Corp

N 3

100

### STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

as of (MM/DD/YY) 06/30/06

99

SEC FILE NO. 8-42879

98

Consolidated

198

Unconsolidated

X

199

#### ASSETS

#### Allowable

#### Non-Allowable

#### Total

1. Cash	\$ 335,325	200		\$ 335,325	750
2. Receivables from brokers or dealers:					
A. Clearance account	25,000	295			
B. Other		300	\$ 550	25,000	810
3. Receivables from non-customers	1,124,599	355	600	1,124,599	830
4. Securities and spot commodities owned, at market value:					
A. Exempted securities		418			
B. Debt securities		419			
C. Options		420			
D. Other securities		424			
E. Spot commodities		430			850
5. Securities and/or other investments not readily marketable:					
A. At cost	\$ 130				
B. At estimated fair value		440	610		860
6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:		460	630		880
A. Exempted securities	\$ 150				
B. Other securities	\$ 160				
7. Secured demand notes:		470	640		890
market value of collateral:					
A. Exempted securities	\$ 170				
B. Other securities	\$ 180				
8. Memberships in exchanges:					
A. Owned, at market	\$ 190				
B. Owned, at cost			650		
C. Contributed for use of the company, at market value			660		900
9. Investment in and receivables from affiliates, subsidiaries and associated partnerships		480	670		910
10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization		490	680		920
11. Other assets		535	476	735	476
12. TOTAL ASSETS	\$ 1,484,924	540	\$ 476	740	\$ 1,485,400
					940

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

**BROKER OR DEALER** North Ridge Securities Corp

as of 06/30/06

### STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

#### LIABILITIES AND OWNERSHIP EQUITY

<u>Liabilities</u>	<u>A.I. Liabilities</u>	<u>Non-A.I. Liabilities</u>	<u>Total</u>
13. Bank loans payable.....	\$ 1045	\$ 1255	\$ 1470
14. Payable to brokers or dealers:			
A. Clearance account.....	1114	1315	1560
B. Other.....	1115	1305	1540
15. Payable to non-customers.....	1,275,484	1355	1,275,484
16. Securities sold not yet purchased, at market value.....		1360	1620
17. Accounts payable, accrued liabilities, expenses and other.....	7,200	1385	7,200
18. Notes and mortgages payable:			
A. Unsecured.....	1210		1690
B. Secured.....	1211	1390	1700
19. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:			
1. from outsiders \$ 970			
2. Includes equity subordination (15c3-1 (d)) of .... \$ 980			
B. Securities borrowings, at market value:...			
from outsiders \$ 990			
C. Pursuant to secured demand note collateral agreements:.....			
1. from outsiders \$ 1000			
2. Includes equity subordination (15c3-1 (d)) of .... \$ 1010			
D. Exchange memberships contributed for use of company, at market value.....			
E. Accounts and other borrowings not qualified for net capital purposes.....	1220	1440	1750
20. TOTAL LIABILITIES.....	\$ 1,282,684	\$ 1450	\$ 1,282,684

#### Ownership Equity

21. Sole proprietorship.....		\$ 1770
22. Partnership (limited partners.....)	1020	1780
23. Corporation:		
A. Preferred stock.....		1791
B. Common stock.....	10,000	1792
C. Additional paid-in capital.....		1793
D. Retained earnings.....	192,716	1794
E. Total.....	202,716	1795
F. Less capital stock in treasury.....		1796
24. TOTAL OWNERSHIP EQUITY.....		\$ 202,716
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY.....		\$ 1,485,400

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

**BROKER OR DEALER**

North Ridge Securities Corp

 For the period (MMDDYY) from 04/01/06 3932 to 06/30/06 3933  
 Number of months included in this statement 3 3931

### STATEMENT OF INCOME (LOSS)

#### REVENUE

**1. Commissions:**

a. Commissions on transactions in exchange listed equity securities executed on an exchange .....	\$	3935
b. Commissions on listed option transactions .....	3938	
c. All other securities commissions .....	3939	
d. Total securities commissions .....	3940	
<b>2. Gains or losses on firm securities trading accounts</b>		
a. From market making in options on a national securities exchange .....	3945	
b. From all other trading .....	3949	
c. Total gain (loss) .....	3950	
<b>3. Gains or losses on firm securities investment accounts</b>	3952	
<b>4. Profit (loss) from underwriting and selling groups</b> .....	3955	
<b>5. Revenue from sale of investment company shares</b> .....	2,122,468	3970
<b>6. Commodities revenue</b> .....	3990	
<b>7. Fees for account supervision, investment advisory and administrative services</b> .....	3975	
<b>8. Other revenue</b> .....	3995	
<b>9. Total revenue</b> .....	\$ 2,122,468	4030

#### EXPENSES

<b>10. Salaries and other employment costs for general partners and voting stockholder officers</b> .....	\$	4120
<b>11. Other employee compensation and benefits</b> .....	21,393	4115
<b>12. Commissions paid to other broker-dealers</b> .....	1,667,503	4140
<b>13. Interest expense</b> .....		4075
a. Includes interest on accounts subject to subordination agreements .....	4070	
<b>14. Regulatory fees and expenses</b> .....	14,014	4195
<b>15. Other expenses</b> .....	415,856	4100
<b>16. Total expenses</b> .....	\$ 2,118,766	4200

#### NET INCOME

<b>17. Net income (loss) before Federal income taxes and items below (Item 9 less Item 16)</b> .....	\$ 3,702	4210
<b>18. Provision for Federal income taxes (for parent only)</b> .....	584	4220
<b>19. Equity in earnings (losses) of unconsolidated subsidiaries not included above</b> .....		4222
a. After Federal income taxes of .....	4238	
<b>20. Extraordinary gains (losses)</b> .....		4224
a. After Federal income taxes of .....	4239	
<b>21. Cumulative effect of changes in accounting principles</b> .....		4225
<b>22. Net income (loss) after Federal income taxes and extraordinary items</b> .....	\$ 3,118	4230

#### MONTHLY INCOME

<b>23. Income (current month only) before provision for Federal income taxes and extraordinary items</b> .....	\$ 682	4211
--	--------	------

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT**  
**PART IIA**

**BROKER OR DEALER**

North Ridge Securities Corp

as of 06/30/06

**Exemptive Provision Under Rule 15c3-3**

25. If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based (check one only)

- |  |             |   |             |
|--|-------------|---|-------------|
| A. (k) (1)—\$2,500 capital category as per Rule 15c3-1 .....   |             |   | <b>4550</b> |
| B. (k) (2)(A)—"Special Account for the Exclusive Benefit of customers" maintained .....  |             |   | <b>4560</b> |
| C. (k) (2)(B)—All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm <u>8-17574</u> (A) | <b>4335</b> | Y | <b>4570</b> |
| D. (k) (3)—Exempted by order of the Commission .....   |             |   | <b>4580</b> |



# FINANCIAL AND OPERATION COMBINED UNIFORM SINGLE REPORT

## PART IIA

**BROKER OR DEALER**

North Ridge Securities Corp

as of 06/30/06

### COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition	\$	202,716	3480
2. Deduct ownership equity not allowable for Net Capital	19	( )	3490
3. Total ownership equity qualified for Net Capital		202,716	3500
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital			3520
B. Other (deductions) or allowable credits (List)			3525
5. Total capital and allowable subordinated liabilities	\$	202,716	3530
6. Deductions and/or charges:			
A. Total nonallowable assets from Statement of Financial Condition (Notes B and C)	17	\$ 476	3540
B. Secured demand note deficiency			3590
C. Commodity futures contracts and spot commodities- proprietary capital charges			3600
D. Other deductions and/or charges			3610
7. Other additions and/or allowable credits (List)		476	3620
8. Net capital before haircuts on securities positions	20	\$ 202,240	3630
9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1 (f)):			3640
A. Contractual securities commitments		\$	3660
B. Subordinated securities borrowings			3670
C. Trading and investment securities:			
1. Exempted securities	18		3735
2. Debt securities			3733
3. Options			3730
4. Other securities			3734
D. Undue Concentration			3650
E. Other (List)			3736
10. Net Capital		\$ 202,240	3740
			3750

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER	North Ridge Securities Corp	as of 06/30/06
------------------	-----------------------------	----------------

### COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

**Part A**

11. Minimum net capital required (6-2/3% of line 19)	\$ 85,555	3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$ 5,000	3758
13. Net capital requirement (greater of line 11 or 12)	\$ 85,555	3760
14. Excess net capital (line 10 less 13)	\$ 116,685	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19)	\$ 73,972	3780

### COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.L. liabilities from Statement of Financial Condition	\$ 1,282,684	3790
17. Add:		
A. Drafts for immediate credit	\$ 3800	
B. Market value of securities borrowed for which no equivalent value is paid or credited	\$ 3810	
C. Other unrecorded amounts (List)	\$ 3820	3830
19. Total aggregate indebtedness	\$ 1,282,684	3840
20. Percentage of aggregate indebtedness to net capital (line 19 ÷ by line 10)	% 634.24	3850
21. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d)	% -0-	3860

### COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

**Part B**

22. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debits	\$ 3870
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$ 3880
24. Net capital requirement (greater of line 22 or 23)	\$ 3760
25. Excess net capital (line 10 less 24)	\$ 3910
26. Net capital in excess of:	
5% of combined aggregate debit items or \$120,000	\$ -0- 3920

OMIT PENNIES

- NOTES:**
- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
1. Minimum dollar net capital requirement, or
  2. 6-2/3% of aggregate indebtedness or 2% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand note covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

**Ownership Equity and Subordinated Liabilities maturing or proposed to be  
withdrawn within the next six months and accruals, (as defined below),  
which have not been deducted in the computation of Net Capital.**

Type of Proposed withdrawal or Accrual See below for code to enter	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be With- drawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (yes or no)
▼ 32 4600		4601	4602	4603	4604 4605
▼ 33 4610		4611	4612	4613	4614 4615
▼ 34 4620		4621	4622	4623	4624 4625
▼ 35 4630		4631	4632	4633	4634 4635
▼ 36 4640		4641	4642	4643	4644 4645
▼ 37 4650		4651	4652	4653	4654 4655
▼ 38 4660		4661	4662	4663	4664 4665
▼ 39 4670		4671	4672	4673	4674 4675
▼ 40 4680		4681	4682	4683	4684 4685
▼ 41 4690		4691	4692	4693	4694 4695
TOTAL \$ ▼ N/A					4699

OMIT PENNIES

**Instructions:** Detail listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c)(2)(iv)), which could be required by the lender on demand or in less than six months.

**WITHDRAWAL CODE: DESCRIPTION**

1. Equity Capital
2. Subordinated Liabilities
3. Accruals
4. 15c3-1(c)(2)(iv) Liabilities

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

**BROKER OR DEALER**      North Ridge Securities Corp

For the period (MMDDYY) from 04/01/06 to 06/30/06

### STATEMENT OF CHANGES IN OWNERSHIP EQUITY (SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)

1. Balance, beginning of period .....	\$	199,598	4240
A. Net income (loss) .....		3,118	4250
B. Additions (Includes non-conforming capital of .....	▼ \$	4262	4260
C. Deductions (Includes non-conforming capital of .....	\$	4272	4270
2. Balance, end of period (From item 1800) .....	\$	202,716	4290

### STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

3. Balance, beginning of period .....	▼ \$	-0-	4300
A. Increases .....			4310
B. Decreases .....			4320
4. Balance, end of period (From item 3520) .....	\$	-0-	4330

OMIT PENNIES

**NORTH RIDGE SECURITIES CORPORATION**

**FINANCIAL STATEMENTS**

**JUNE 30, 2006**





Lawrence B. Goodman, CPA\*  
Richard B. Klein  
Catherine Marotta, CPA

David J. Goodman, CPA, MST\*  
William R. Lungren, CPA  
Jacqueline M. Shamieh, CPA  
\* Certified in New Jersey and New York

## REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To The Board of Directors of  
North Ridge Securities Corporation  
1895 Walt Whitman Road  
Melville, New York 11747-3031

We have audited the accompanying statement of financial condition of North Ridge Securities Corporation, as of June 30, 2006, and the related statements of income, changes in stockholder's equity, and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of North Ridge Securities Corporation as of June 30, 2006, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 of the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

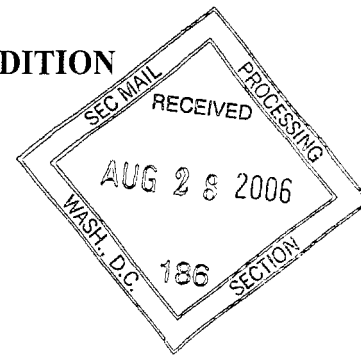
Lawrence B. Goodman & Co. P.A.  
Certified Public Accountants

Fair Lawn, New Jersey  
July 14, 2006

## NORTH RIDGE SECURITIES CORPORATION

## STATEMENT OF FINANCIAL CONDITION

JUNE 30, 2006



## ASSETS

**Current Assets**

Cash and cash equivalents	\$ 335,325	
Commissions receivable	1,124,599	
Prepaid expenses	<u>476</u>	
Total current assets		\$1,460,400

**Other Assets**

Security deposit		<u>25,000</u>
------------------	--	---------------

Total Assets		<u>\$1,485,400</u>
--------------	--	--------------------

## LIABILITIES AND STOCKHOLDER'S EQUITY

**Current Liabilities**

Accrued expenses	\$1,207,684	
Due to affiliates	<u>75,000</u>	
Total current liabilities		\$1,282,684

**Stockholder's Equity**

Capital stock	10,000	
Retained earnings	<u>192,716</u>	
Total stockholder's equity		<u>202,716</u>

Total Liabilities and Stockholder's Equity		<u>\$1,485,400</u>
--	--	--------------------

See accountant's opinion and notes to financial statements.



## STATEMENT OF INCOME

FOR THE YEAR ENDED JUNE 30, 2006

**Income**

Commission income	\$7,938,631	
Interest income	<u>122</u>	
Total income		\$7,938,753

**Operating Expenses**

Management fees	1,402,000	
Commissions	6,168,478	
Rent and utilities	175,085	
Wages	51,582	
Payroll taxes	4,612	
Office expenses	24,720	
Insurance	3,955	
Telephone	18,963	
Fees and licenses	<u>74,528</u>	
Total operating expenses		<u>7,923,923</u>

Income before provision for Federal and State income taxes		14,830
--	--	--------

Provision for Federal and State income taxes		<u>3,235</u>
--	--	--------------

Net income		<u>\$ 11,595</u>
------------	--	------------------

See accountant's opinion and notes to financial statements.





NORTH RIDGE SECURITIES CORPORATION

STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY

FOR THE YEAR ENDED JUNE 30, 2006

	<i>Common Stock</i>	<i>Retained Earnings</i>	<i>Total</i>
Stockholder's equity July 1, 2005	\$10,000	\$181,121	\$191,121
Net income	<u>-</u>	<u>11,595</u>	<u>11,595</u>
Stockholder's equity June 30, 2006	<u>\$10,000</u>	<u>\$192,716</u>	<u>\$202,716</u>

See accountant's opinion and notes to financial statements.



# NORTH RIDGE SECURITIES CORPORATION

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED JUNE 30, 2006**

Cash flows from operating activities:

Net income		\$ 11,595
Changes in assets and liabilities:		
Increase in commissions receivable	(\$ 38,505)	
Increase in prepaid expenses	( 476)	
Increase in accrued expenses	47,503	
Decrease in amounts due to affiliated company	( 117,000)	
Total adjustments		( 108,478)
Net cash used by operating activities		( 96,883)
Cash and cash equivalents at beginning of year		<u>432,208</u>
Cash and cash equivalents at end of year		<u><u>\$335,325</u></u>

***Supplemental Cash Flow Information***

Interest paid	<u>\$ -</u>
Income taxes paid	<u><u>\$ 3,450</u></u>

See accountant's opinion and notes to financial statements.



**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2006**

**DESCRIPTION OF BUSINESS**

North Ridge Securities Corporation is a broker-dealer subject to the rules and regulations of the National Association of Securities Dealers (NASD) and Securities Investor Protection Corporation (SIPC). Their place of business is located at 1895 Walt Whitman Road, Melville, New York 11747-3031.

**SIGNIFICANT ACCOUNTING POLICIES**

The Company's financial statements are prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), which require management to use its judgment in making certain estimates and assumptions that effect the amounts reported in the financial statements. Actual results could differ from these estimates.

All of the Company's assets and liabilities are carried at either fair value or amounts which approximate fair value.

Commission income and related clearing expenses are recorded on a trade date basis as securities transactions occur.

**CASH AND CASH EQUIVALENTS**

The Company maintains cash balances at Chase Bank. Accounts are insured by the Federal Deposit Insurance Corporation up to \$100,000. As of June 30, 2006, the amount that exceeded the federally insured limits was \$254,201.

**AFFILIATED COMPANY TRANSACTIONS-MANAGEMENT FEES**

North Shore Capital Management Corporation performs some of the administrative duties for North Ridge Securities Corporation. The Company pays NSCMC a management fee to cover these expenses. North Ridge Securities Corporation paid \$1,402,000 for these services for the year ended June 30, 2006.

**CAPITAL STOCK**

The authorized, issued and outstanding shares of capital stock at June 30, 2006, were as follows:

Common stock, without par value, authorized 300 shares; issued and outstanding 250 shares.



## NET CAPITAL REQUIREMENT

As a registered broker-dealer and member of the National Association of Securities Dealers, Inc., the Company is subjected to Rule 15c3-1 of the Securities and Exchange Commission which specifies uniform net capital requirements, as defined, equal to the greater of one-fifteenth of aggregate indebtedness, as defined, or \$5,000. At June 30, 2006, the Company had net capital of approximately \$202,240, which exceeded the minimum requirement by approximately \$116,685.

## INCOME TAXES

Tax provisions are as follows:

State	\$1,189
Federal	<u>2,046</u>
	<u>\$3,235</u>

## CUSTOMER TRANSACTIONS

The Company has entered into dealer arrangements with various mutual fund distributors. The Company acts as agent in executing mutual fund transactions on behalf of its customers. The customers are carried on a fully disclosed basis by the various mutual fund complexes.

As an introducing broker, the Company has its customers' securities transactions cleared by a clearing broker pursuant to a clearance agreement.

While the Company has agreed to indemnify its clearing broker for certain losses that the clearing broker may sustain from the customer accounts introduced by the Company, the clearing broker maintains the responsibility of margining such accounts and determining adequate collateralization.

## NORTH RIDGE SECURITIES CORPORATION

## NET CAPITAL COMPUTATION

JUNE 30, 2006

Total Assets	\$1,485,400
Less: Liabilities	<u>1,282,684</u>
Net Worth	202,716
Less: Non-Allowable Assets	<u>476</u>
Current Capital	202,240
Less: Haircuts	<u>-</u>
Adjusted net capital	<u>\$ 202,240</u>
Percentage of aggregate indebtedness to net capital	<u>634.24%</u>

There are no material differences between the adjusted net capital as reported on this exhibit and the net capital reported on Part IIA of the Focus Report (form X-17a-5)

See accountant's opinion.



**NORTH RIDGE SECURITIES CORPORATION**

**STATEMENT**

**JUNE 30, 2006**

Inadequacies in accounting systems, internal control and procedures for safeguarding securities:

NONE

See accountant's opinion.





Lawrence B. Goodman, CPA\*  
Richard B. Klein  
Catherine Marotta, CPA

David J. Goodman, CPA, MST\*  
William R. Lungren, CPA  
Jacqueline M. Shamieh, CPA  
\* Certified in New Jersey and New York

To The Board of Directors of  
North Ridge Securities Corporation  
1895 Walt Whitman Road  
Melville, New York 11747-3031

In planning and performing our audit of the financial statements of North Ridge Securities Corporation (the Company) for the year ended June 30, 2006, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

Also, as required by rule 17a-5(g)(1) of the Securities Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures following by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons, and the recordation of differences required by rule 17a-13.
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.
3. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by Rule 15c3-3.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not

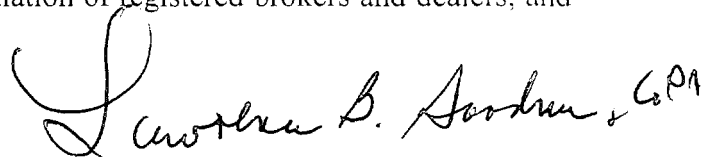
absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matter involving internal control, including control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at June 30, 2006 to meet the SEC's objectives.

This report is intended solely for the use of management of North Ridge Securities Corporation, the SEC, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and should not be used for any other purpose.

A handwritten signature in cursive script, reading "Lawrence B. Goodman, CPA".

Lawrence B. Goodman & Co. P.A.  
Certified Public Accountants

Fair Lawn, New Jersey  
July 14, 2006

